time as the administrative law judge may allow, each party may file with the administrative law judge proposed findings of fact, conclusions of law, and rules or orders, together with a supporting brief expressing the reasons for such proposals. Such proposals and brief shall be served on all other parties and shall refer to all portions of the record and to all authorities relied upon in support of each proposal.

(b)(1) Within a reasonable time after the time allowed for the filing of proposed findings of fact, conclusions of law, and rules or orders, the administrative law judge shall make and serve upon each party his initial decision which shall become final upon the 30th day after service thereof unless exceptions are filed thereto.

(2) The decision of the administrative law judge shall be based solely upon substantial evidence on the record as a whole and shall state all facts officially noticed and relied upon. The decision of the administrative law judge shall include:

(i) A statement of the findings of fact and conclusions of law, with reasons and bases therefor upon each material issue of fact, law, or discretion presented on the record;

(ii) Reference to any material fact based on official notice; and

(iii) The appropriate rule, order, relief, or denial thereof.

### § 1955.42  Exceptions.

(a) Within 30 days after service of the decision of the administrative law judge, any party may file with the Secretary written exceptions thereto with supporting reasons. Such exceptions shall refer to the specific findings of fact, conclusions of law, or terms of the rule or order excepted to; and shall suggest corrected findings of fact, conclusions of law, or terms of the rule or order referencing the specific pages of the transcript relevant to the suggestions. Requests for extension of time to file exceptions may be granted if the requests are received by the Secretary no later than 25 days after service of the decision.

(b) If any timely exceptions are filed, the Secretary may set a time for filing any response to the exceptions with supporting reasons. All exceptions and responses thereto shall be served on all the parties.

### § 1955.43  Transmission of the record.

If exceptions are filed, the Secretary shall request the administrative law judge to transmit the record of the proceeding to the Secretary for review. The record shall include the State plan; a copy of the Assistant Secretary's notice of proposed withdrawal; the State's statement of items in contention; the notice of the hearing if any; any motions and requests filed in written form and rulings thereon; the transcript of the testimony taken at the hearing, together with any documents or papers filed in connection with the preliminary conference and the hearing itself; such proposed findings of fact, conclusions of law, rules or orders, and supporting reasons as may have been filed; the administrative law judge's decision; and such exceptions, responses, and briefs in support thereof as may have been filed in the proceedings.

### § 1955.44  Final decision.

(a) After review of any exceptions, together with the record references and authorities cited in support thereof, the Secretary shall issue a final decision ruling upon each exception and objection filed. The final decision may affirm, modify, or set aside in whole or in part the findings, conclusions, and the rule or order contained in the decision of the administrative law judge. The final decision shall also include reference to any material fact based on official notice.

(b) The Secretary's final decision shall be served upon all the parties and shall become final upon the 30th day after service thereof unless the Secretary grants a stay pending judicial review.

### § 1955.45  Effect of appeal of administrative law judge's decision.

An administrative law judge's decision shall be stayed pending a decision on appeal to the Secretary. If there are no exceptions filed to the decisions of the administrative law judge, the administrative law judge's decision shall be published in the FEDERAL REGISTER